KPMG

Financial Statements of

WASCANA CENTRE AUTHORITY

Year ended March 31, 2002

WASCANA CENTRE AUTHORITY

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March 31, 2002

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AUDITORS' REPORT

To the Participating Parties of Wascana Centre Authority:

We have audited the statement of financial position of Wascana Centre Authority as at March 31, 2002, and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2002, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Regina, Canada

June 3, 2002

KPMG LLP, a Canadian limited liability partnership and a member firm of KPMG International, a Swiss association.

WASCANA CENTRE AUTHORITY

Statement of Financial Position

March 31, 2002, with comparative figures for 2001

	2002	2001
Assets		
Current:		
Cash and term deposits	$ 736,734	686,118
Accounts receivable	55,694	53,887
Inventory	3,282	3,722
Prepaid expenses	14,847	21,306
	810,557	765,033
Capital assets (note 3)	2,735,979	2,865,098
	$ 3,546,536	3,630,131
Cash held in trust	$ 100,000	-
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	$ 307,790	250,029
Early retirement benefits payable (note 4)	15,050	16,800
Deferred revenue	10,205	2,435
	333,045	269,264
Early retirement benefits payable (note 4)	28,500	43,550
Deferred contributions (note 5)	90,472	88,233
Net assets:		
Investment in capital assets (note 6)	2,735,979	2,865,098
Internally restricted (note 7)	358,540	363,986
	3,094,519	3,229,084
Commitments and contingencies (note 9)		
	$ 3,546,536	3,630,131
Trust liability	$ 100,000	-

See accompanying notes to financial statements.

On behalf of the Authority:

Member

Member

WASCANA CENTRE AUTHORITY

Statement of Operations

Year ended March 31, 2002, with comparative figures for 2001

	2002	2001
Revenue:		
Government of Saskatchewan		
Statutory grant	$ 780,319	771,243
Maintenance grant	1,840,000	1,840,000
City of Regina		
Statutory grant	425,628	420,678
Maintenance grant	790,000	767,000
University of Regina		
Statutory grant	212,813	210,339
Maintenance grant	283,000	275,000
Other operating revenue (Schedule 1)	588,322	231,296
	4,920,082	4,515,556
Expenses:		
Landscape construction (Schedule 2)	544,428	356,260
Landscape maintenance (Schedule 3)	1,103,560	972,446
Service maintenance (Schedule 3)	737,983	734,269
Indirect costs (Schedule 3)	1,155,555	1,196,492
Specialized services (Schedule 4)	1,141,578	1,063,534
Amortization	370,935	383,489
Other expenses (note 7)	608	31,963
	5,054,647	4,738,453
Excess of expenses over revenue	$ (134,565)	(222,897)

See accompanying notes to financial statements.

WASCANA CENTRE AUTHORITY

Statement of Changes in Net Assets

Year ended March 31, 2002, with comparative figures for 2001

	Investment in Capital Assets	Internally Restricted	Unrestricted	Total 2002	Total 2001
Balance, beginning of year	$ 2,865,098	363,986	-	3,229,084	3,451,981
Excess of revenue over expenses (expenses over revenue)	(370,935)	-	236,370	(134,565)	(222,897)
Net change in investment in capital assets (note 6)	241,816	-	(241,816)	-	-
Transfer to unrestricted net assets (note 7)	-	(608)	608	-	-
Internally imposed restrictions (note 7)	-	(4,838)	4,838	-	-
Balance, end of year	$ 2,735,979	358,540	-	3,094,519	3,229,084

See accompanying notes to financial statements.

WASCANA CENTRE AUTHORITY

Statement of Cash Flows

Year ended March 31, 2002, with comparative figures for 2001

		2002	2001
Cash provided by (used in):			
Operating activities:			
Excess of expenses over revenue	$	(134,565)	(222,897)
Items not involving cash:			
Amortization		370,935	383,489
Gain on sale of capital assets		(40,699)	(10,735)
Decrease (increase) in accounts receivable		(1,807)	412
Decrease (increase) in inventory		440	(55)
Decrease (increase) in prepaid expenses		6,459	(20,633)
Decrease (increase) in accounts payable		57,761	(65,449)
Decrease in early retirement benefits payable		(16,800)	(16,800)
Increase in deferred revenue		7,770	-
Increase in deferred contributions		2,239	18,740
		251,733	66,072
Financing activities:			
Purchase of capital assets (note 6)		(249,923)	(137,292)
Proceeds on sale of capital assets		48,806	10,735
		(201,117)	(126,557)
Increase (decrease) in cash and term deposits		50,616	(60,485)
Cash and term deposits, beginning of year		686,118	746,603
Cash and term deposits, end of year	$	736,734	686,118
Supplementary information:			
Interest paid	$	674	1,801

See accompanying notes to financial statements.

WASCANA CENTRE AUTHORITY

Notes to Financial Statements

Year ended March 31, 2002, with comparative figures for 2001

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1. Description of operations:

On April 1, 1962, *The Wascana Centre Act* (the "Act") was passed unanimously by the Saskatchewan Legislature. By this Act, the Wascana Centre Authority (the "Authority") was established as a statutory corporate body for the operation of Wascana Centre (the "Centre"). The Government of Saskatchewan (the "Government"), the City of Regina (the "City") and the University of Regina (the "University"), usually referred to as "Participating Parties", became partners in the Wascana Centre Authority.

Under the powers of the Act, the Authority establishes a master plan for the Centre and ensures all developments are consistent with the plan; approves all exterior improvements including building, service facility and landscape improvements; establishes bylaws; provides special services; undertakes landscape construction and maintains the grounds within the boundaries of the Centre.

The Authority is a registered charity within the meaning of the *Income Tax Act* (Canada) and is exempt from income taxes.

The Authority is economically dependent upon the Participating Parties and is financed as follows:

Statutory grant:

These funds are provided for in Section 53 of the Act, on the shared basis of 55% by the Government, 30% by the City and 15% by the University and are based on a mill-rate formula, providing the necessary funding for the administrative and general operating expenses of the Authority, as well as capital expenditures on lands located within the Centre, the title for which is held in the name of the Authority. The Act also provides that no less than $375,000 of this amount be directed towards landscape construction and service facility construction and restoration on Authority-owned land, and service facility construction on land of a Participating Party when the service facility construction is deemed to be of mutual benefit to the three Participating Parties, pursuant to Section 30 of the Act.

Operating grants:

Beyond the statutory contribution, operating grants are also provided by each of the Participating Parties based on land ownership.

To maintain uniformity throughout the Centre, unit operating costs are established pursuant to Section 37 of the Act, and applied as standards for landscape and service maintenance. This ensures that each of the Participating Parties pays its fair share of operating costs for lands located within the Authority, the title for which is held by the respective Participating Parties.

Developments such as buildings, roadways and landscaped areas are the responsibility of the landowner holding title to such developments.

WASCANA CENTRE AUTHORITY

Notes to Financial Statements

Year ended March 31, 2002, with comparative figures for 2001

2. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles.

Revenue recognition:

The Authority follows the deferral method of accounting for contributions which include government grants and donations. Where a portion of a grant relates to a future period, it is deferred and recognized in the subsequent period.

Revenue from fees, contracts and sales of goods and services is recognized when the services are provided or the goods are sold.

Cash and term deposits:

Cash and term deposits consist of cash, bank overdraft and term deposits with a maturity date of 90 days or less.

Capital assets:

Purchased assets are recorded at cost. Capital assets originally contributed by the Participating Parties at incorporation have been recorded at a nominal value of $1. All landscape construction costs and normal maintenance and repair expenditures are expensed as incurred.

Amortization is provided on the straight-line basis over the following periods:

Buildings	20 years
Equipment	5 - 10 years
Vehicles	5 - 8 years
Office furniture	10 years

Landscape construction:

In accordance with the Act, specifically designated expenditures that are incurred for landscape construction on public land and construction of service facilities on Authority land or on land of a Participating Party are expensed.

WASCANA CENTRE AUTHORITY

Notes to Financial Statements

Year ended March 31, 2002, with comparative figures for 2001

2. Significant accounting policies (continued):

Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

3. Capital assets:

			2002	2001
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Assets from Participating Parties	$ 1	-	1	1
Land	1,669,895	-	1,669,895	1,669,895
Buildings	3,885,467	3,613,084	272,383	437,860
Vehicles	532,471	396,637	135,834	171,247
Office furniture	223,471	167,787	55,684	48,338
Equipment	2,005,247	1,403,065	602,182	537,757
	$ 8,316,552	5,580,573	2,735,979	2,865,098

4. Early retirement benefits payable:

Amounts owing under an early retirement program are as follows:

	2002	2001
Bridge benefits payable to early retirees until year 2008	$ 43,550	60,350
Less: current portion	(15,050)	16,800
Long-term portion	$ 28,500	43,550

WASCANA CENTRE AUTHORITY

Notes to Financial Statements

Year ended March 31, 2002, with comparative figures for 2001

4. Early retirement benefits payable (cont'd):

Estimated payments are as follows:

2003	15,050
2004	9,800
2005	5,250
2006	4,200
2007	4,200
Thereafter	5,050

5. Deferred contributions:

Deferred contributions related to expenses of future periods represent unspent statutory grants for landscape construction as defined in the Act and described in note 1.

		2002	2001
Balance, beginning of year	$	88,233	69,493
Add amounts received during the year		546,667	375,000
Less amounts recognized as revenue during the year		(544,428)	(356,260)
Balance, end of year	$	90,472	88,233

6. Investment in capital assets:

Investment in capital assets is calculated as follows:

		2002	2001
Capital assets, beginning of year	$	2,865,098	3,111,295
Purchase of capital assets		249,923	137,292
Net book value of capital assets disposed		(8,107)	-
Amortization of capital assets		(370,935)	(383,489)
Capital assets, end of year	$	2,735,979	2,865,098

WASCANA CENTRE AUTHORITY

Notes to Financial Statements

Year ended March 31, 2002, with comparative figures for 2001

6. Investment in capital assets (cont'd):

Change in investment in capital assets is calculated as follows:

		2002	2001
Excess of expenses over revenue:			
Amortization of capital assets	$	(370,935)	(383,489)
	$	(370,935)	(383,489)
Net change in investment in capital assets:			
Purchase of capital assets	$	249,923	137,292
Net book value of capital assets disposed		(8,107)	-
	$	241,816	137,292

7. Internally restricted net assets:

The Authority has internally restricted amounts for expenditures relating to special administrative and operating requirements and other projects.

The internally restricted amounts are not available for other purposes without approval by the Authority. During the year, $608 (2001 - $31,963) was transferred to unrestricted net assets and $4,838 (2001 - $55,263 transferred from) was transferred to unrestricted net assets.

		2002	2001
Balance, beginning of year	$	363,986	340,686
Transfers to unrestricted net assets:			
Wascana Lake deepening study		(608)	(31,963)
Transfer from (to) unrestricted net assets		(4,838)	55,263
Balance, end of year	$	358,540	363,986

WASCANA CENTRE AUTHORITY

Notes to Financial Statements

Year ended March 31, 2002, with comparative figures for 2001

8. Related-party transactions:

Included in these financial statements are expenditures resulting from routine operating transactions with various agencies and departments of the Participating Parties.

These transactions are in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The Authority had the following transactions with related parties:

	2002	2001
Expenses:		
Landscape construction	$ 3,562	76
Landscape maintenance	171	2,257
Service maintenance	188,562	158,237
Indirect costs	55,354	114,809
Specialized services	81,301	70,630
Amounts not specifically disclosed in the balance sheet:		
Accounts receivable	$ 25,587	17,216
Prepaid expenses	-	6,663
Accounts payable	48,839	37,674
Deferred revenue	10,205	2,435

During the year, the Authority incurred expenses of $220,726 (2001 - $208,949) for services provided to the Participating Parties and outside agencies on a contractual basis that were fully recovered from the Participating Parties and outside agencies.

9. Commitments and contingencies:

The Authority is committed to leases for office equipment requiring minimum lease payments of $9,006 for each of the next three years.

The Authority has been named as a Defendant in certain lawsuits. In the opinion of management, these matters will not materially impact the Authority's present or future financial operations, and no provision has been made for them in the accounts. Should any loss result from the resolution of these claims, it will be accounted for in the year of settlement.

KPMG

Supplementary Financial Information of

WASCANA CENTRE AUTHORITY

Year ended March 31, 2002

KPMG LLP
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AUDITORS' REPORT

To the Participating Parties of Wascana Centre Authority:

We have audited and reported separately herein on the financial statements of Wascana Centre Authority as at and for the year ending March 31, 2002.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Authority taken as a whole. The current year's supplementary information included in Schedules 1-4 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

KPMG LLP

Chartered Accountants

Regina, Canada

June 3, 2002

KPMG LLP, a Canadian owned limited liability partnership established under the laws of Ontario, is the Canadian member firm of KPMG International, a Swiss association.

WASCANA CENTRE AUTHORITY

Schedule 1 - Other Operating Revenue

Year ended March 31, 2002, with comparative figures for 2001

		2002	2001
Centennial Summer Student Employment Program	$	176,000	-
Centenary Grant Program		141,667	-
Service maintenance contracts		82,700	82,100
Gain on sale of capital assets		40,699	10,735
Interest		33,856	56,363
Rent		30,578	23,846
City of Regina Wascana Hill Roadway grant		29,992	-
Gift shop revenue (net of cost of goods sold of $64,095; 2001 - $71,068)		22,096	21,470
Other grant revenue		10,537	7,314
Miscellaneous		8,733	8,894
Parking ticket revenue		7,081	8,520
Ferry boat revenue		4,383	12,054
	$	588,322	231,296

Schedule 2 - Landscape Construction

Year ended March 31, 2002, with comparative figures for 2001

		2002	2001
Trafalgar Overlook Phase III	$	226,264	10,334
Development salaries		97,580	100,348
Wascana Place east plaza		62,896	7,272
Spruce Island		62,261	-
Wascana Hill Roadway		59,984	-
Repair service facilities		13,472	9,517
Wascana Drive pathway		12,917	6,246
Master plan program		9,054	4,705
Wascana bikeway		-	92,755
Waterfowl Park overlook		-	42,716
Development depot decommissioning		-	37,815
Wascana Park bandstand		-	23,619
Tree planting		-	12,575
Candy Cane playground lighting		-	7,560
Other projects		-	798
	$	544,428	356,260

WASCANA CENTRE AUTHORITY

Schedule 3 - Landscape Maintenance, Service Maintenance and Indirect Costs

Year ended March 31, 2002, with comparative figures for 2001

	2002	2001
Landscape Maintenance		
Salaries:		
Irrigated turf	$ 454,862	396,520
Trees and shrubs	230,102	200,900
Flowers, bedding plants, nursery	81,691	82,884
Unimproved	50,359	41,188
Playing fields	48,940	40,883
Picnic sites, park furniture, amenities	46,134	30,911
	912,088	793,286
Materials	191,472	179,160
	$ 1,103,560	972,446
Service Maintenance		
Salaries:		
Snow removal	$ 115,798	183,092
Survey and engineering	46,596	68,197
Roads, lighting and signs	46,104	32,351
Buildings and washrooms	41,438	25,905
	249,934	309,545
Utilities	184,264	157,115
Building repair and maintenance - materials	155,426	134,967
Supplies and materials	111,831	98,302
Insurance	36,528	34,340
	488,049	424,724
	$ 737,983	734,269

WASCANA CENTRE AUTHORITY

Schedule 3 - Landscape Maintenance, Service Maintenance and Indirect Costs

Year ended March 31, 2002, with comparative figures for 2001

	2002	2001
Indirect Costs		
Equipment Maintenance:		
Salaries	$ 109,140	109,232
Miscellaneous repairs and materials	89,931	88,065
Gas, oil and grease	80,563	102,071
Vehicle and equipment rental, registration and insurance	56,410	66,247
Cost recoveries	(32,403)	(29,253)
	303,641	336,362
Employee benefits (net of cost recoveries of $65,365; 2001 - $59,463)	661,481	630,378
Supervisory salaries	190,433	229,752
	$ 1,155,555	1,196,492

WASCANA CENTRE AUTHORITY

Schedule 4 - Specialized Services

Year ended March 31, 2002, with comparative figures for 2001

	2002	2001
Greenhouse:		
Salaries	$ 95,926	89,095
Materials	54,490	48,811
	150,416	137,906
Police:		
Salaries	168,726	151,087
Vehicle operation and rental	24,259	25,282
Uniforms, radios and other	5,652	4,674
Parking enforcement and security services	1,305	744
	199,942	181,787
Public relations and gift shop operations:		
Salaries	190,760	161,105
Information and committee programs	44,912	33,558
Art gallery and gift shop expense	15,984	12,594
Photography and printing	9,698	2,874
Display ponds	3,518	2,782
	264,872	212,913
Administration:		
Salaries	376,349	364,397
Telephone	31,592	31,715
Data processing	24,961	30,682
Photocopying and supplies	24,522	25,033
Regulatory and consulting	16,161	12,750
Audit	14,050	14,600
Training and travel	11,190	17,993
Honoraria and association fees	9,779	9,138
Postage and courier services	8,421	8,346
Reference books and subscriptions	5,325	7,533
Legal expenses	3,998	8,741
	526,348	530,928
	$ 1,141,578	1,063,534